



JOHN J. TECKLENBURG
MAYOR

City of Charleston
South Carolina
Clerk of Council Department

VANESSA TURNER MAYBANK
CLERK OF COUNCIL

NOTICE OF MEETING

A meeting of the Committee on Real Estate will be held beginning at 4:00 p.m., February 28, 2017, at City Hall, 80 Broad Street. The agenda will be as follows:

AGENDA

Invocation – Councilmember Moody

Approval of Minutes: February 14, 2017

a. Authorize the Mayor to repeal Ordinance 2008-52 as amended by Ordinance No. 2008-66 and execute on behalf of the City a Transfer Agreement conveying 26 Reid Street to Charleston Habitat for Humanity for \$44,000 for development of affordable housing under the City's HOME Investment Partnerships Program guidelines. (TMS: 459-09-04-040; 26 Reid Street) [Two ordinances]

b. Consider the following annexation:

2935 Maybank Highway and adjacent vacant lot (TMS# 313-00-00-091 and 313-00-00-089) 4.60 acres, Johns Island (District 5)

a.

REAL ESTATE COMMITTEE
GENERAL FORM

TO: John J. Tecklenburg, Mayor DATE: February 16, 2017
FROM: Geona Shaw Johnson DEPT: Housing and Community Development
ADDRESS: 26 Reid Street
TMS: 459-09-04-040

ACTION REQUEST: To authorize the Mayor to repeal Ordinance No. 2008-52 as amended by Ordinance No. 2008-66 and execute on behalf of the City a Transfer Agreement conveying 26 Reid Street to Charleston Habitat for Humanity for \$44,000.00 for development of affordable housing under the City's HOME Investment Partnerships Program guidelines.

COORDINATION: The request has been coordinated with:
All supporting documentation must be included

	<u>Signature</u>	<u>Attachments</u>
Department Head	<u>Geona Shaw Johnson</u>	<input checked="" type="checkbox"/>
Legal Dept	_____	<input type="checkbox"/>
Property Coordinator	_____	<input type="checkbox"/>
Property Manager	_____	<input type="checkbox"/>
<u>CFD</u>	<u>Amy Wharton</u>	<input type="checkbox"/>

FUNDING: Was funding needed? Yes ☐ No ☒

If yes, was funding previously approved? Yes ☐ No ☐

*If approved, provide the following: Dept/Div. _____ Acct: _____

Balance in Account _____ Amount needed for this item _____

NEED: Identify any critical time constraint(s).

ORIGINATING OFFICE PLEASE NOTE: A FULLY STAFFED/APPROVED PACKAGE IS DUE IN THE CLERK OF COUNCIL'S OFFICE NO LATER THAN 10:00A.M. THE DAY OF THE CLERK'S AGENDA MEETING.

*Commercial Property and Community & Housing Development have an additional form.

COMMERCIAL REAL ESTATE FORM

TO: John J. Tecklenburg, Mayor DATE: February 13, 2017

FROM: Geona Shaw Johnson DEPT: Housing and Community Development

ADDRESS: 26 Reid Street

TMS: 459-09-04-040

To authorize the Mayor to repeal Ordinance No. 2008-52 as amended by Ordinance No. 2008-66 and execute on behalf of the City a Transfer Agreement conveying 26 Reid Street to Charleston Habitat for Humanity for \$44,000.00 for development of affordable housing under the City's HOME Investment Partnerships Program guidelines.

ACTION REQUEST: Partnerships Program guidelines.

ACTION: What action is being taken on the Property mentioned?

☐ **ACQUISITION BY**

☐ **DONATION/TRANSFER**

Donated By: _____

☐ **FORECLOSURE**

Terms: _____

☐ **PURCHASE**

Terms: _____

☐ **CONDEMNATION**

Terms: _____

☐ **OTHER**

Terms: _____

☒ **SALE TO**

☒ **NON-PROFIT ORG, please name** Charleston Habitat for Humanity

Terms: As outlined in Transfer Agreement

☐ **OTHER**

Terms: _____

☐ **LEASE**

☐ **INITIAL**

Lessor: _____ Lessee: _____

Terms: _____

☐ **RENEWAL**

COMMERCIAL REAL ESTATE FORM

Lessor: _____ Lessee: _____
Terms: _____

☐

AMENDMENT

Lessor: _____ Lessee: _____
Terms: _____

☐

Improvement of Property

Owner: _____
Terms: _____

BACKGROUND CHECK: If Property Action Request is for the sale or lease of city property, has a background check been completed?

Yes

☐

No

☐

N/A

Results: _____

Signature: _____

Property Manager

ADDITIONAL: Please identify any pertinent detail (Clauses, Agreement Terms, Repeals, etc.) regarding City Property.

NEED: Identify any critical time constraint(s).



Ratification
Number _____

A N O R D I N A N C E

TO REPEAL ORDINANCE NO. 2008-52, AS AMENDED BY ORDINANCE NO. 2008-66 AUTHORIZING THE TRANSFER OF 26 REID STREET TO CHARLESTON AREA COMMUNITY DEVELOPMENT CORPORATION.

BE IT ORDAINED BY THE MAYOR AND COUNCILMEMBERS OF CHARLESTON, IN CITY COUNCIL ASSEMBLED:

Section 1. Ordinance No. 2008-52, ratified on March 4, 2008, as amended by Ordinance No. 2008-66, ratified on April 8, 2008, authorizing the transfer of 26 Reid Street to the Charleston Area Community Development Corporation is hereby repealed.

Section 2. This Ordinance shall become effective on ratification.

Ratified in City Council this ____ day of _____
in the Year of Our Lord, 2017,
and in the ____th Year of the Independence of
the United States of America

John J. Tecklenburg
Mayor, City of Charleston

ATTEST:

Vanessa Turner Maybank
Clerk of Council



Ratification
Number _____

AN ORDINANCE

AUTHORIZING THE MAYOR TO EXECUTE ON BEHALF OF THE CITY A TRANSFER AGREEMENT BETWEEN THE CITY AND HABITAT FOR HUMANITY, INC. PERTAINING TO PROPERTY OWNED BY THE CITY AT 26 REID STREET, TO INCLUDE ANY AND ALL DEEDS, BILLS OF SALE OR OTHER DOCUMENTS AS MAY BE NECESSARY TO EFFECTUATE THE TRANSFER.

BE IT ORDAINED BY THE MAYOR AND COUNCILMEMBERS OF CHARLESTON, IN CITY COUNCIL ASSEMBLED:

Section 1. The Mayor is hereby authorized to execute on behalf of the City a Transfer Agreement between the City and Charleston Habitat for Humanity, Inc. pertaining to property owned by the City located at 26 Reid Street, a copy of said Transfer Agreement being attached to this Ordinance and made a part hereof. The authority herein devolved to the Mayor includes authority to execute any and all deeds, bills of sale or other documents as may be necessary to effectuate the transfer.

Section 2. This Ordinance shall become effective upon ratification.

Ratified in City Council this _____ day of
_____ in the Year of Our Lord, 2017,
and in the _____th Year of the Independence of
the United States of America

John J. Tecklenburg
Mayor, City of Charleston

ATTEST:

Vanessa Turner Maybank
Clerk of Council

STATE OF SOUTH CAROLINA)	
)	HOME PROGRAM
)	TRANSFER AGREEMENT
COUNTY OF CHARLESTON)	

THIS TRANSFER AGREEMENT (hereinafter the “*Transfer Agreement*”) is made and entered into as of the _____ day of _____, 2017, by and between THE CITY OF CHARLESTON (the “*City*”), and the CHARLESTON HABITAT FOR HUMANITY, INC., a South Carolina nonprofit corporation (the “*Developer*”).

W I T N E S S E T H:

1. AGREEMENT. Upon the terms and conditions set forth herein, the City agrees to sell and transfer to the Developer and the Developer agrees to purchase and acquire from the City the following real property located in the City of Charleston, County of Charleston, State of South Carolina:

<u>Property Address</u>	<u>Tax Parcel #</u>	<u>Purchase Price</u>
26 Reid Street	459-09-04-040	\$44,000.00

The aforesaid property, together with any and all fixtures, buildings and other improvements now and hereafter located thereon, is referred to herein as the “*Property*.” Developer hereby expressly acknowledges and accepts that the Property shall be conveyed by City to Developer in “AS-IS” condition, with no warranties implied, expressed or written.

2. PURCHASE PRICE. The purchase price for the Property shall be set forth above in Section 1, which sum shall be as follows:

- a. The Purchase Price shall be evidenced by a Note from Developer to the City in the original principal amount of \$44,000.00 (the “Note”), which Note shall be secured by a first priority Mortgage on the Property (the “Mortgage”). The Note and the Mortgage shall each be in substantially the form of Exhibit D and Exhibit E, respectively, which Exhibits are attached hereto and incorporated herein.

3. Representations and Warranties of the Developer. To induce the City to enter into this Transfer Agreement, the Developer represents and warrants to the City as follows:

- (A) Due Organization: Developer is a non-profit corporation duly organized and validly existing in good standing under the laws of the State of South Carolina and duly authorized to transact business in the State of South Carolina with full corporate power to execute, deliver and perform the obligations and transactions contemplated in this Transfer Agreement.
- (B) Due Authorization: The Developer and any officer, member, manager or partner executing this Transfer Agreement has full power, authority, and legal right to enter into this Transfer Agreement and to carry out the provision of this Transfer Agreement according to the terms hereof. The Developer has duly authorized the execution and delivery of this Transfer Agreement, and no other action of the Developer is requisite to the execution and delivery

of this Transfer Agreement. No consents or approvals are required to be obtained from any Legal Authorities (as defined in Exhibit C, attached hereto and incorporated herein by reference) for the execution and delivery of this Transfer Agreement.

- (C) Violation of Other Agreements: The execution of this Transfer Agreement and the performance of the Developer pursuant to this Transfer Agreement does not and will not (i) violate any provision of law or its organizational documents, or (ii) result in a breach of, constitute a default under, require any consent under, or result in the creation of any lien, charge, or encumbrance upon any property of the Developer pursuant to any instrument, order, or other agreement to which the Developer is a party or by which the Developer, or any of its property is bound.

4. CLOSING. The closing of the conveyance of the Property from the City to the Developer (the “**Closing**”) shall take place no later than one (1) year from the date of this Transfer Agreement. The Closing shall take place in Charleston County, South Carolina, at a time, date and place mutually agreed to by the City and the Developer.

5. POSSESSION. The City shall give Developer possession of the Property at the closing hereof, provided title has passed.

6. TITLE. At the Closing, the City shall convey good and marketable or insurable fee simple absolute title to such Property by Limited Warranty Deed duly executed with revenue stamps in the proper amount affixed thereto, free and clear of all defects, restrictions, leases, judgments, taxes and assessments, liens or encumbrances of any sort; provided, however, that the City shall convey title to the Property to the Developer and the Developer agrees to take title to the Property subject to the following:

- (A) The City of Charleston HOME Program Covenants attached hereto as Exhibit A and incorporated herein by reference (the “**HOME Program Covenants**”) to be attached to and recorded along with the deed conveying title to the Property to the Developer.
- (B) Those other matters set forth in Exhibit B (attached hereto and incorporated herein by reference, hereinafter the (“**Permitted Exceptions**”)); and
- (C) Such other matters as otherwise agreed to in writing by the City and the Developer.

If the City is unable to convey marketable or insurable title to the Property without a court action, or incurring any unusual expenses or within thirty (30) days after the herein specified closing date for such Property, then the City or Developer shall have the option of terminating this Transfer Agreement as to such Property by giving written notice to the other party hereto.

7. CLOSING COSTS. The City shall be responsible for the fees and expenses of the City's attorneys, the fees for the preparation of the Limited Warranty Deed(s), the fees or taxes for documentary stamps due with respect to the Deed by which the Property is conveyed to the Developer, the costs necessary to provide marketable or insurable title to the Property being conveyed (except as otherwise provided in Section 6 above), and any other costs and expenses actually incurred by the City. Except as may otherwise be provided in Section 8(F) herein below, the Developer shall be responsible for all other closing costs.

8. CONTINGENCIES. The obligations of the parties hereunder as to the Property shall be subject to the fulfillment on the date of closing of the Property, or sooner, of each of the following conditions:

- (A) The representations and warranties of the Developer contained in this Transfer Agreement and otherwise made by or on behalf of the Developer shall be true and correct in all material respects on and as of the date of the closing of the Property.
- (B) This Transfer Agreement is contingent on the City Council for the City of Charleston approving this Transfer Agreement, and the purchase of the Property by the Developer.
- (C) This Transfer Agreement shall be further subject to the Affordable Housing Restrictive Covenants attached to this Transfer Agreement as Exhibit C and made a part hereof, which shall be recorded at Closing.

If the above contingencies are not satisfied by Closing for the Property, then either the Developer or the City shall have the option, in its sole discretion, to terminate and cancel this Transfer Agreement as to such Property.

9. PRORATIONS. All ad valorem taxes due with respect to the Property for the calendar year of the closing shall be prorated between the Developer and the City as of the closing date for such Property. If the actual amount of such taxes is not known as of such date, the proration at the Closing will be on an equitable basis and will be based on the most current and accurate billing information available, provided, however, the proration of ad valorem taxes will be adjusted between the parties upon the final assessment and tax rates being determined.

10. AGENTS/BROKERS. The City and the Developer hereby acknowledge, confirm and agree that no real estate agent or broker is involved in this transaction and, further, that no commissions are or will be due and/or payable to any real estate agent or broker as a result of this Transfer Agreement and the closing(s) contemplated hereby.

11. RISK OF LOSS OR DAMAGE. In case the Property herein referred to is destroyed wholly or partially by fire or other casualty prior to the closing and delivery of the Deed for such Property, then the City or the Developer shall have the option of proceeding hereunder as to such Property or of terminating this Transfer Agreement. In the event either party elects to terminate this Transfer Agreement, then the terminating party must give the non-terminating party written notice of such termination. In the event that none of the parties elects to terminate this Transfer Agreement as a result of such damage or destruction, then the City shall be entitled to retain and keep any insurance proceeds payable on account of the damage or destruction unless the parties otherwise agree in writing.

12. DEFAULT AND REMEDY. In the event of a breach of this Transfer Agreement, the non-breaching party shall have all rights and remedies afforded under South Carolina law, including, without limitation, the right of specific performance, and the breaching party shall be liable to reimburse the non-breaching party for reasonable attorney's fees and all expenses incurred in enforcing any provisions hereof.

13. NOTICES. Any notice, demand, or communication called for hereunder shall be in writing, shall be signed by the party giving same, and shall be given, served, or delivered either in person, or by first-class, certified mail, return receipt requested, postage prepaid, or by Federal Express (or other nationally recognized overnight courier), return receipt requested, with postage or delivery charge prepaid, and if to the Developer, addressed to the Developer at the Developer's mailing address set forth below in this Section, and if to the City, addressed to the City's mailing address set forth in this Section, or to such other address as either party may designate by written notice to the other. Any and all such notices, demands or other communications addressed to the Developer shall be deemed to be given to and received by the Developer on the date of delivery if personally delivered, and two (2) days after the date of mailing if mailed as aforesaid, and one (1) day after it was placed with the overnight courier as aforesaid. Any and all such notices, demands or other communications addressed to the City shall be deemed to be given to and received by the City on the date of delivery if personally delivered, and two (2) days after the date of mailing if mailed as aforesaid, and one (1) day after it was placed with the overnight courier as aforesaid, to the City's Clerk of Council, to the Director of the City of Charleston's Department of Housing and Community Development, and to Corporation Counsel for the City, whichever date is later. Such notices, demands or other communications shall be addressed as follows:

If to the Developer:

Charleston Habitat for Humanity
Attention: Jeremy Browning, Executive Director
P.O. Box 21479
Charleston, South Carolina 29413

If to the City:

The City of Charleston
Attention: Clerk of Council
City Hall
80 Broad Street
Charleston, South Carolina 29401

Copy to: The City of Charleston
Department of Housing and Community Development
Attention: Geona Shaw Johnson
75 Calhoun Street, Suite 3200
Charleston, South Carolina 29401-3506

City of Charleston
Attention: Corporation Counsel
Legal Department
50 Broad Street
Charleston, South Carolina 29401

14. MISCELLANEOUS.

(A) Successors. This Transfer Agreement shall inure to the benefit of and shall be binding upon the respective heirs, personal representatives, successors and assigns of the parties hereto.

(B) Governing Law. This Transfer Agreement is being made in South Carolina and shall be construed and enforced in accordance with the laws of South Carolina.

(C) Survival. This Transfer Agreement and the provisions hereof shall survive the closing of each Property and shall not be merged by the City's execution and delivery to the Developer of the Limited Warranty Deed for each such Property or the recording thereof.

(D) Severability. Wherever possible, each provision of the Transfer Agreement shall be interpreted in such manner as to be effective and valid under applicable law, and such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Transfer Agreement.

(E) Waiver of Breach. The failure or delay of any party to insist upon compliance with any provision hereof shall not operate as and is not to be construed to be a waiver or amendment of the provision or of the right of the aggrieved party to insist upon compliance with such provision or to take remedial steps to recover damages or other relief for noncompliance. Any express waiver of a breach of any provision of this Transfer Agreement shall not operate and is not to be construed as a waiver of any other or subsequent breach, irrespective of whether occurring under similar or dissimilar circumstances.

(F) Entire Agreement. This Transfer Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter. No provision hereof shall be changed orally, and no change or attempted waiver of any provision hereof shall be binding unless in writing and signed by the party against whom the same is sought to be enforced. The masculine pronoun, when used herein, shall include the feminine and neuter pronoun, if applicable, and the singular shall include the plural, if applicable.

(G) Authority of Redevelopment & Preservation Commission to Modify Agreement: The City of Charleston Redevelopment & Preservation Commission, on behalf of the City, shall have authority to modify any provisions of this Transfer Agreement as mutually agreed to in writing with the Developer.

(H) Counterparts. This Transfer Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

(I) Days; Dates: Unless other specified herein, all references to day or days in this Transfer Agreement shall mean a calendar day or calendar days. If any date set forth in this Transfer Agreement or computed pursuant to this Transfer Agreement falls on a Saturday, Sunday, or national holiday, such date shall be deemed automatically amended to be the first business day following such weekend day or holiday.

(J) Execution of Agreement. This Transfer Agreement must be executed by all parties and delivered to the City by 3:00 P.M., _____, 2017, or the offer is automatically withdrawn and this Transfer Agreement shall be null and void.

(K) TIME IS OF THE ESSENCE. TIME IS OF THE ESSENCE AS TO ALL TERMS AND CONDITIONS OF THIS TRANSFER AGREEMENT.

(L) THIS IS A LEGALLY BINDING AGREEMENT. THE DEVELOPER ACKNOWLEDGES AND AGREES THAT HAYNSWORTH SINKLER BOYD, P.A., ATTORNEYS AT LAW, ARE SERVING AS THE CITY'S ATTORNEYS IN THIS TRANSACTION AND DO NOT REPRESENT THE DEVELOPER. THE DEVELOPER FURTHER ACKNOWLEDGES AND AGREES THAT THE DEVELOPER HAS BEEN ADVISED BY THE CITY AND THE CITY'S ATTORNEYS TO SEEK ASSISTANCE FROM INDEPENDENT LEGAL COUNSEL PRIOR TO THE DEVELOPER'S EXECUTION OF THIS TRANSFER AGREEMENT.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed on the day and year first herein above written.

WITNESSES:

CITY:

The City of Charleston

Witness 1

By: John J. Tecklenburg
Its: Mayor

Witness 2

DEVELOPER:

Charleston Habitat for Humanity, Inc.,
a South Carolina nonprofit corporation

Witness 1

By: Jeremy Browning
Its: Executive Director

Witness 2

LIST OF EXHIBITS, ADDENDUMS, AND OTHER ATTACHMENTS
TO TRANSFER AGREEMENT

Exhibit A	-	HOME Program Covenants
Exhibit B	-	Permitted Exceptions
Exhibit C	-	Restrictive Covenants
Exhibit D	-	Note
Exhibit E	-	Mortgage

**EXHIBIT A
TO
TRANSFER AGREEMENT**

HOME Program Covenants

(See Attached)

HOME Program Restrictive Covenant and Reverter

The Grantee acknowledges and agrees that the property described in this deed (the “*Property*”) is being conveyed to the Grantee as part of the City of Charleston’s HOME Program to promote affordable housing. The Grantee acknowledges and agrees that any conveyance of the Property from the Grantee shall be made subject to the City of Charleston Home Program Resale Provisions (the “*HOME Resale Provisions*”), which will be provided by the City of Charleston to the Grantee within fifteen (15) days after the date the Grantee notifies the City of Charleston that it has identified an eligible purchaser for the Property. The HOME Resale Provisions shall be included in the deed conveying the Property from the Grantee to the purchaser in a form satisfactory to the City of Charleston.

In the event the Property is conveyed by the Grantee without being made subject to the HOME Resale Provisions in accordance herewith, title to the Property shall automatically revert to the City of Charleston, and thereupon the City of Charleston will have the immediate right to take possession of the property with no cost or damages.

The conditions of this HOME Program Restrictive Covenant are intended to bind the Grantee, its successors and assigns, and the same shall run with the land and can be released only in a writing executed by the City of Charleston.

EXHIBIT B

TO

TRANSFER AGREEMENT

1. Ad valorem real property taxes and user fees for the year of closing (provided same are not yet due and payable) and all subsequent years.
2. The HOME Resale Covenants referenced in the Transfer Agreement.
3. All restrictive covenants, rights of way and easements of record as of the date of this Transfer Agreement, if any, provided they do not make the title unmarketable or uninsurable.
4. All existing federal, state, county, municipal, and local governmental statutes, ordinances, rules and regulations, including, without limitation, zoning ordinances.

EXHIBIT C

TO

TRANSFER AGREEMENT

Affordable Housing Restrictive Covenants

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

RESTRICTIVE COVENANTS

WHEREAS, Charleston Habitat for Humanity, Inc., a South Carolina nonprofit corporation (“*Habitat*”), owns fee simple title to that certain parcel of land located at 26 Reid Street, City of Charleston, County of Charleston, State of South Carolina having the TMS No. 459-09-04-040, the same being more particularly described on Exhibit A attached hereto and incorporated herein by reference (together with any improvements now or hereafter located thereon, the “*Property*”);

WHEREAS, the City of Charleston (the “***City***”) has applied for and received funds from the United States Government under Title 11 of the National Affordable Housing Act of 1992 (the “***Act***”);

WHEREAS, in order to finance a portion of the cost of the development of the Property, Habitat has applied a loan from the City totaling \$44,000.00 (the “*Funds*”);

WHEREAS, pursuant to the terms of that certain (i) Home Program Transfer Agreement by and between the City and Habitat as of _____, 2017 (the “**Transfer Agreement**”), the City has agreed to make the Funds available to Habitat, via a loan (the “**Loan**”) to Habitat totaling \$44,000.00, which Loan is evidenced by a Promissory Note (the “**Note**”) and a Mortgage (the “**Mortgage**”) from Habitat to the City, which Mortgage is recorded simultaneously herewith;

WHEREAS, the Transfer Agreement requires that the Property be subjected to certain restrictions regarding the future use of the Property; and

WHEREAS, the City desires to evidence such restrictions by recording these Restrictive Covenants (the "*Restrictive Covenants*").

NOW, THEREFORE, IN CONSIDERATION OF the benefits to Habitat set forth in the Transfer Agreement and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged by Habitat, Habitat hereby declares as follows:

1. The above recitals are incorporated into the operative provisions of this Agreement by this reference.
2. For the entire Affordability Period (hereinafter defined) the Property shall be held, mortgaged, transferred, sold, conveyed, leased, occupied and used subordinate and subject to the restrictions, covenants, liens and conditions set forth in these Restrictive Covenants, which restrictions,

covenants, liens and conditions shall touch and concern and run with title to the Property and shall be binding on all parties having any right, title or interest in the Property, and their respective legal representatives, assignees, heirs, devisees, fiduciary representatives, successors, and assigns. Anything contained herein, or in the Note or Mortgage to the contrary notwithstanding, these Restrictive Covenants shall continue in full force and effect for a period of 30 years from the date hereof (the “*Affordability Period*”), without regard to payment of the Loans or discharge of the debts evidenced thereby.

3. Habitat hereby covenants and agrees that for the entire Affordability Period, the Property may only be sold to low-and very low-income households which are families and individuals whose incomes do not exceed 80% of the Area Median Income as established by HUD (an “*Approved Conveyance*”).

4. Habitat agrees to comply with City’s Affirmative Marketing Policy for the duration of the Affordability Period.

5. The invalidity or unenforceability of any provision of these Restrictive Covenants shall not affect the other provisions hereof, and these Restrictive Covenants shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

6. The City is the intended beneficiary of these Restrictive Covenants and shall have the full right of enforcement of the terms hereof.

7. Upon the occurrence of an Approved Conveyance, as specified above, these Restrictive Covenants shall be deemed terminated and released as to the subject Property, pending the execution and recordation of the Deed Restrictions, attached hereto as Exhibit A and incorporated herein by this reference. Additionally, the City shall execute a release of the Restrictive Covenants and any other documents reasonably necessary to give effect to said termination and release.

*****Remainder of Page Intentionally Left Blank*****
[Signature on Following Page]

Witness 1

Name:

Its: _____

ACKNOWLEDGEMENT

Witness my Hand and Official Seal this the _____ day of _____, 2017.

Printed Name of Notary: _____

My Commission Expires: _____

Exhibit A

Deed Restrictions

By deed dated _____ and recorded on _____ in the RMC Office for Charleston County, in Book _____, Page _____, (the “*Previous Deed*”) the City of Charleston conveyed the real property, together with the improvements thereon, described in said deed to _____, a nonprofit corporation organized under the laws of the State of _____, which party is now the Grantor in this deed. The Previous Deed was made subject to a HOME Program Restrictive Covenant and Reverter (the “*Covenant and Reverter*”) obligating the Grantor of this deed to convey the property subject to the City of Charleston HOME Program Resale Provisions, which City of Charleston Home Program Resale Provisions are set forth below and are intended to satisfy the requirements of the Covenant and Reverter. **As such, effective upon the proper recording of this instrument, executed by the City of Charleston, as an attachment to this deed, the Covenant and Reverter contained in the Previous Deed are hereby fully and forever terminated and shall be of no further force or effect.**

City of Charleston HOME Program Resale Provisions

The real property, together with any improvements thereon (the “*Property*”) described in this deed (the “*Deed*”) shall be conveyed subject to the conditions, covenants, restrictions and limitations set forth below (collectively, the “*Covenants*”). The Covenants shall be considered as covenants running with the land, and shall be binding on the grantee named in the Deed, together with his/her heirs, successors and assigns, including all successors in title to the Property (collectively, the “*Owner*”).

1. RESTRICTION ON RESALE. For a period of _____ years from the date of this deed (the “*Affordability Period*”), the Owner shall be entitled to sell the Property only to a “*Qualified Purchaser*” as certified by the City of Charleston (together with any appropriate department(s) within the City of Charleston designated from time to time with respect to the various provisions of these Covenants, the “*City*”). In addition to any party deemed to be a Qualified Purchaser pursuant to Paragraph 9 below, a “*Qualified Purchaser*” shall mean a person who has been certified by the City as having household annual income that does not exceed the Maximum Annual Family Income as determined by the City. Maximum Annual Family Income shall mean 80% of the area median income, as certified by the Housing and Urban Development Agency, and as adjusted by the City for the number of persons in the household (“*AMF*”). When the Owner decides to sell the Property, the Owner shall promptly, and in any event prior to entering into a binding agreement to convey the Property, contact the City to coordinate the marketing of the Property to Qualified Purchasers and the process of certifying any interested buyer as a Qualified Purchaser by the City. If the City identifies a Qualified Purchaser for the Property, the Owner agrees to negotiate in good faith with such Qualified Purchaser, subject to the terms hereof.

2. MAXIMUM SALES PRICE. During the Affordability Period, the sale from the Owner to a Qualified Purchaser shall be for an amount, as determined by the City in its sole and absolute discretion (the “*Resale Price*”), that is equal to or less than the Maximum Resale Price, as hereafter defined. As used herein, the “*Maximum Resale Price*” shall mean an amount equal to the lesser of: (a) the purchase price paid by such Owner, plus the cost of any Qualified Capital Improvements (hereafter defined) made by such

Owner, adjusted by the change in the area median income¹ or the consumer price index² (whichever is greater) occurring between the date such Owner took title and the date of the sale to the Qualified Purchaser, plus any reasonable and necessary resale expenses as determined by the City in its sole discretion; or (b) the HOME Program Maximum Purchase Price.³

3. FAIR RETURN ON INVESTMENT. In determining the Resale Price, as set forth above, the City shall choose a price that is high enough to ensure the Owner a Fair Return on Investment (hereafter defined), provided, however, that in no event shall the Resale Price exceed the Maximum Resale Price. As used herein, the term “*Fair Return on Investment*” shall mean an amount equal to the sum of: (a) the Owner’s down payment actually paid in connection with the purchase of the Property, (b) loan principal repayments actually made with respect to the purchase money financing originally obtained by the Owner in order to purchase the Property, and (c) the cost of any Qualified Capital Improvements (hereafter defined). The City reserves the right to determine, in its sole discretion, the correctness and eligibility for consideration of any amounts listed in (a), (b), and (c) above.

4. QUALIFIED CAPITAL IMPROVEMENTS. As used herein the term “Qualified Capital Improvements” shall mean permanent fixed improvements to the Property made by the Owner, subject to the remaining terms of this Paragraph 4. In order for an item to be eligible for consideration as a Qualified Capital Improvement, the Owner must provide, upon the City’s request, paid receipts or other evidence reasonably satisfactory to the City documenting the cost of such proposed Qualified Capital Improvements. In addition, any proposed Qualified Capital Improvements made during a given year in excess of the sum of \$1,750.00 must be approved by the City, in its sole and absolute discretion, prior to the making of such Qualified Capital Improvements in order to be eligible for consideration as a Qualified Capital Improvement.

5. SALE SUBJECT TO AFFORDABILITY DEED RESTRICTIONS; REPLACEMENT COVENANTS. At the City’s option, and in its sole and absolute discretion, the conveyance of the Property from the Owner to the Qualified Purchaser shall be made subject to additional affordability deed restrictions intended to replace these Covenants (“Replacement Covenants”), and, unless otherwise stipulated therein, upon the proper recording of the Replacement Covenants in the deed to such Qualified Purchaser, these Covenants shall terminate and be of no further force or effect. In the event the City does not choose to cause the Property to be conveyed subject to Replacement Covenants, these Covenants shall continue in full force and effect throughout the remainder of the Affordability Period.

6. RESTRICTION ON OCCUPANCY: NO RENTALS. During the Affordability Period, the Property shall be used and occupied solely as an Owner occupied, residential dwelling. The Owner shall not lease, nor permit to be leased, the Property.

¹ Published annually by the U.S. Department of Housing and Urban Development.

² Consumer Price Index for All Urban Consumers (CPI-U) for the South urban area, All Items, (Base Period: 1982-84 = 100), as published by the United States Department of Labor. If the United States Department of Labor should no longer compile and publish such statistical information, the most similar information compiled and published by said Department or any other branch or department of the federal government or by the State of South Carolina shall be used for the purpose of determining the Consumer Price Index.

³ HOME Program maximum purchase prices are the Section 203(b) Single Family Mortgage Limits, as determined by the U.S. Department of Housing and Urban Development’s Office of Single Family Housing.

7. MAINTENANCE; INSURANCE. The exterior appearance of the Property shall be maintained in an attractive and orderly condition and shall be kept free from trash, salvage, rubbish, garbage, and other unsightly or offensive material. The buildings now or hereafter located on the said premises shall be maintained in an attractive and sound condition and repairs as necessary to prevent damage to the building(s) or any part thereof shall be made promptly. The Owner shall keep the Property fully insured against casualty, fire, and flood loss at levels acceptable to the City.

8. CITY'S RIGHT OF REPURCHASE. In the event of a breach of any term or provision of these Covenants, in addition to any other remedy available under the terms hereof, at law or in equity, the City shall have the right to repurchase the Property for the "Discounted Purchase Price", free and clear of any encumbrances and liens, other than those existing prior to the recording of this Deed. The Discounted Purchase Price shall mean the purchase price recited in this Deed (without regard to the consideration stated in any subsequent deed conveying the Property subject to these Covenants) multiplied by any increase in the AMI from the date of this Deed. For example and for illustration purposes only, if the original purchase price stated in this Deed had been \$200,000 and if AMI had increased by 10% from the date of this Deed to the date of the breach, the Discounted Purchase Price would be \$220,000. The right of repurchase set forth herein shall survive any conveyance of the Property and shall be enforceable against any record owner thereof. If the City purchases the Property pursuant to this Paragraph 8, the result may be that the then current Owner is obligated to sell the Property to the City for a purchase price that is less than the price the current Owner paid for the Property. The City shall have no obligation to the current Owner or its mortgagee to provide legal assistance in seeking redress against the selling Owner who participated in the breach of these Covenants. Each purchaser and mortgagee is advised to request from a selling Owner a copy of the City's determination of the Discounted Purchase Price for the transaction.

9. DEEMED QUALIFIED PURCHASERS. Transfers to the following persons, parties or entities (an "*Exempt Transfer*") are deemed to be transfers to Qualified Purchasers for purposes of these Restrictions:

(a) a transfer resulting from the death of an Owner by operation of law pursuant to any will or trust to a spouse, child (including stepchildren), parent, grandparent or grandchild of any Owner.

(b) a transfer from a decree of dissolution of the marriage or legal separation, or from a property settlement agreement incidental to such a decree, by which a spouse who is an Owner becomes the sole Owner of the Property.

(c) a transfer that occurs by virtue of foreclosure of a mortgage encumbering the Property or a transfer that occurs by reason of a deed in lieu of foreclosure shall be deemed to be a transfer to a Qualified Purchaser.

Following any Exempt Transfer, the Property shall remain subject to these Covenants, provided, however, that any transfer as set forth in Paragraph 9(c) above shall be subject to the terms and conditions of Paragraph 10 of these Covenants.

10. MORTGAGE PROVISIONS.

(a) Purchase Money Mortgage; Restriction against Junior Encumbrances. The Owner shall not refinance, encumber (voluntarily or otherwise) or grant a mortgage on the Property without the prior

written consent of the City, which consent may be withheld in the City's sole and absolute discretion, provided, however, that this provision shall not apply to a purchase money first priority mortgage granted by the Owner in order to acquire the Property ("***Purchase Money Mortgage***"). No future advances under a Purchase Money Mortgage may be given without first obtaining the City's written consent, which consent may be withheld in the City's sole and absolute discretion. If the City consents to the refinancing of a Purchase Money Mortgage, the mortgage replacing the original Purchase Money Mortgage as a result of such refinancing shall be considered a Purchase Money Mortgage for purposes of this Covenant.

(b) Notice of Foreclosure. The holder of a Purchase Money Mortgage (a "***Purchase Money Mortgage***") shall give the City sixty (60) days advance written notice of its intent to foreclose upon its Purchase Money Mortgage or to accept a conveyance of the Property in lieu of foreclosure. During the sixty (60) day period, the City, its successors or assigns, shall have the right, but not the obligation, to purchase the mortgage for the amount due thereunder (including applicable expenses), and in such event the Purchase Money Mortgagee shall deliver to the purchaser such assignments and other evidentiary documents as the City shall reasonably request.

(c) Termination of Covenant. If a Purchase Money Mortgagee acquires the Property by foreclosure or by deed in lieu of foreclosure under its Purchase Money Mortgage after giving the City the required sixty (60) days notice, the rights and restrictions contained in this Covenant shall terminate, and the Property shall become free from the rights and restrictions in this Covenant. Notwithstanding the foregoing, nothing shall prevent a Purchase Money Mortgagee from selling the Property to a Qualified Buyer in any foreclosure proceeding or after acquisition of title to the Property. The City shall, upon request, provide a determination as to a purchaser's qualifications as a Qualified Purchaser. In such case, the deed shall indicate that the Property is being sold subject to these Covenants, or Replacement Covenants, as the case may be.

(d) Excess Proceeds. If a Purchase Money Mortgagee conducts a foreclosure or other proceeding enforcing its rights under its Purchase Money Mortgage (or accepts a deed in lieu of foreclosure with respect thereto), and the Property is sold for a price that exceeds the Maximum Resale Price that would be applicable on the date of the sale, then all amounts in excess of such Maximum Resale Price shall be paid to the City after payment to the Purchase Money Mortgagee of the outstanding principal balance owing under the Purchase Money Mortgage (including any future advances approved by the City in accordance with Paragraph 10(a) above), plus accrued interest and all reasonable costs and expenses the Purchase Money Mortgagee is entitled to recover under the terms of its Purchase Money Mortgage.

11. ENFORCEMENT. Grantor, Grantee, and each Owner hereby acknowledge and agree that the covenants, conditions and restrictions set forth herein are imposed for the benefit of residential community of the City of Charleston, and that the City has interests in real property and social, cultural and economic interests that benefit from the imposition of these covenants and restrictions. The benefits of these covenants, conditions and restrictions run with the Property, and bind and burden the Property. These Covenants shall be enforceable by the City. Grantor, Grantee and each Owner further acknowledge and agree that a breach of the covenants, conditions, and restrictions set forth herein shall potentially result in a broad range of economic, social, cultural and residential damages to a large number of parties, that such damages are difficult if not impossible to determine, and that the City shall be entitled to seek such remedies as may be available at law or in equity including but not limited to injunctive relief and specific performance. The City shall be entitled to reasonable attorney fees and costs in the event of a breach by the Owner of these Covenants.

12. NOTICES. Whenever this Covenant requires any party to give notice to another, the notice shall be given in writing and delivered in person or mailed, by certified or registered mail, return receipt requested. Notice to the Owner shall be mailed to the Owner in accordance herewith at the address of the Property, or such other address as designated by like written notice. Notice to the City shall be mailed to the City in accordance herewith to the address set forth below, or such other address as designated by like written notice:

City of Charleston
Department of Housing and Community Development
75 Calhoun Street, Suite 3200
Charleston, South Carolina 29401-3506

13. SEVERABILITY. Whenever possible, each provision of these Covenants shall be interpreted in such manner as to be effective and valid, but if the application of any provision of these Covenants shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions of these Covenants are declared to be severable. Notwithstanding anything contained herein to the contrary, if any provision of these Covenants shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provision shall continue only until ninety (90) years from the date of first recordation.

14. HEADINGS. The headings of the sections in this Covenant are for convenience only and shall not be used to interpret the meaning of any provision contained herein.

15. CITY INSPECTION. The City shall have the right to inspect the Property from time to time to insure compliance with these Covenants.

16. NO SUBDIVISION. Without the prior express written consent of the City, the Property shall not be subdivided, nor converted to any form of horizontal property regime, nor any portion less than all the Property be conveyed, nor shall any form of interval ownership of or time sharing of the Property be permitted.

17. PREVENTION OF HEIRS PROPERTY. The Owner shall maintain a current will and will use reasonable efforts to prevent the Property from transferring upon the Owner's death pursuant to the laws of intestacy.

18. PAYMENT OF AD VALOREM TAXES. The Owner shall promptly pay each year the ad valorem taxes on the Property and shall deliver a copy of the paid receipt for such taxes to the City within 30 days of payment. In order to protect the City's equitable interest in the Property, the City shall have the right to pay any delinquent taxes on the Property and shall have a lien against the Property for any such amount ("Tax Lien"). In addition to any other remedies provided by law or equity for the breach of these Covenants, the City shall have the right to foreclose on its Tax Lien in the event that the Owner fails to reimburse the City within sixty (60) days of written notice from the City.

19. CLOSING ATTORNEY'S OBLIGATION TO EXPLAIN COVENANTS. At the closing of any conveyance of the Property that is subject to these Covenants, the attorney conducting such closing

("Closing Attorney") shall explain the terms and conditions set forth herein to the Owner. Within 10 business days after such closing, the Closing Attorney shall forward to the City an affidavit signed by the Owner stating that the Owner has read, understood, been provided a copy of and obtained legal advice with respect to these Covenants.

[Signatures on the following page]

Exhibit D

HOME PROGRAM PROMISSORY NOTE

WHEREAS, the undersigned has entered into that certain Home Program Transfer Agreement, providing for a purchase price in the amount of \$44,000.00 (the “*Transfer Agreement*”), the terms of which are incorporated herein by reference.

FOR VALUE RECEIVED, Charleston Habitat for Humanity, Inc., a South Carolina nonprofit corporation, the undersigned (hereinafter referred to as the “*Borrower*”) promises to pay to the order of the City of Charleston, City Hall, P.O. Box 304, Charleston, South Carolina 29402 (hereinafter referred to as the “*City*”) on the day which is Thirty (30) years plus one day after the execution of this Note, if not sooner paid, the principal sum of Forty Four Thousand and No/100 (\$44,000.00) Dollars plus an indexed interest rate equivalent to the prime rate, as defined in the print edition of the Wall Street Journal as of the date of maturity, prepayment, or default hereunder (whichever should occur first). Said rate shall be calculated on an annual basis (the “*Interest Rate*”) and said Interest Rate may be waived or reduced by and under the sole discretion of the City. This Note evidences a loan by the City to the Borrower for the exclusive purpose of constructing residential property for sale on that certain parcel of land located at 26 Reid Street in the City of Charleston, County of Charleston, State of South Carolina, having the TMS# 459-09-04-040 (the “*Property*”) for the development, in accordance with the Transfer Agreement, by Borrower subject to the terms and conditions of the Transfer Agreement (the “*Project*”).

This Note is secured by a Mortgage on the above-referenced Property of even date herewith in favor of the City.

So long as the Borrower complies with the terms and conditions of this Note, and any Mortgage securing same, no interest shall be charged on the unpaid principal balance, and at the (i) expiration of Thirty (30) years from the date of this Note or (ii) upon the occurrence of an Approved Conveyance, as further described below, any then-outstanding balance shall be forgiven in full, provided, however that any

amounts hereafter advanced or expended by the City to protect its security as provided herein or in the Mortgage securing this Note, and the interest thereon, shall not be forgiven or reduced and shall be due and payable from the time they are advanced or expended; and provided further that in the event the Borrower defaults in any terms or conditions of the Note or Mortgage securing same, then the unpaid and remaining balance shall immediately become due and payable along with interest computed at the Note rate from the date of the event constituting breach or default, with interest to continue at such rate until such time as the entire indebtedness evidenced by this Note is fully paid.

Notwithstanding anything to the contrary contained in the foregoing, in the event that the Borrower conveys the Property to low and very low-income households which are families and individuals whose incomes do not exceed 80% of the Area Median Income as established by HUD (an “*Approved Conveyance*”), as further described in the Restrictive Covenants, attached as Exhibit C to that certain Home Program Transfer Agreement by and between the City and the Borrower dated as of _____, 2017 and incorporated herein by this reference, the City shall forgive the Note in its entirety and execute any and all documents necessary to memorialize the full release and satisfaction of the Note upon such a conveyance.

The deferred payment loan evidenced by this Note may only be assigned and/or assumed with written consent of the City.

If default be made in the performance of or compliance with any of the covenants and conditions of the Transfer Agreement, the Mortgage or any other instrument securing this Note, then in any of said events, said principal sum with all accrued interest thereon shall become at once due and payable at the option of the holder thereof and be collectible without further notice. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

Any forbearance by the City with respect to any of the terms and conditions of this Note in no way constitutes a waiver of any of the City’s rights or privileges granted hereunder. Any written notice or

payment of one party to the other shall be addressed to the parties as follows:

The City: City of Charleston
City Hall
P.O. Box 304
Charleston, SC 29402
Attn: Director, Dept. of Housing & Community Development

The Borrower: Charleston Habitat for Humanity, Inc.
Attn: Jeremy Browning, Executive Director
P.O. Box 21479
Charleston, South Carolina 29413

The Borrower shall notify the City of any change in the Borrower's address.

If this Note be placed in the hands of an attorney for collection after the same shall for any reason become due, or if collected by legal proceedings or through the probate or bankruptcy courts, or under foreclosure proceedings under the Mortgage securing this Note, then all cost of collection, including reasonable attorney's fees of not less than ten (10%) percent of the full amount due hereon, shall be added hereto and secured and collectible as the principal hereof.

The undersigned expressly agrees to remain and continue bound for payment of the principal and interest provided for by the terms of this Note notwithstanding any extensions of the time, or for the payment of said principal or interest, or any change or changes in the amount or amounts agreed to be paid by virtue of the obligation to pay provided for in this Note, or any change or changes by way of release or surrender of any collateral held as security for this Note, and waive all and ever kind of notice of such extensions, change or changes and agree that the same may be made without the joinder of the undersigned. Presentment, protests, and notice are hereby waived.

It is expressly agreed and declared that this Note is given for an actual loan of Forty-Four Thousand and No/100 (\$44,000.00) Dollars.

This Note is secured by a Mortgage of even date encumbering the Property located in the City of Charleston, County of Charleston, State of South Carolina.

*****Remainder of Page Intentionally Left Blank*****
[Signatures on Following Page]

IN WITNESS THEREOF, the undersigned has executed this Note on this _____ day of _____, 2017.

SIGN, SEALED AND DELIVERED
IN THE PRESENCE OF:

Charleston Habitat for Humanity, Inc.,
a South Carolina nonprofit corporation

Witness

By: _____

Name: _____

Witness

Its: _____

Exhibit E

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON) **HOME PROGRAM MORTGAGE**

THIS HOME PROGRAM MORTGAGE (herein the “*Mortgage*”) is made this ____ day of _____, 2017 by Charleston Habitat for Humanity, Inc., a South Carolina nonprofit corporation, whose address is _____ (herein the “*Mortgagor*”) in favor of the City of Charleston, whose address is City Hall, P. O. Box 304, Charleston, South Carolina 29402 (herein the “*Lender*”).

TO SECURE to the Lender the repayment of the indebtedness evidenced by the Promissory Note of even date herewith (herein the “*Note*”), the terms of which are incorporated by reference herein, in the original principal sum of Forty-Four Thousand and No/100 (\$44,000.00) Dollars, with interest thereon, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of the Mortgagor herein contained, Mortgagor by these presents does grant, bargain, sell and release unto the Lender, the City of Charleston, its successors and Assigns, the following real property located in the City of Charleston, Charleston County, State of South Carolina, described in Exhibit A attached hereto and incorporated by reference herein (herein the “*Property*”).

TOGETHER with all and singular the rights, members, hereditaments and appurtenances to the said premises belonging, or in any way incident or appertaining.

TO HAVE AND TO HOLD all and singular the Property unto the said Lender, its successors and assigns, forever, together with all the improvements now or hereafter erected on the Property, and all easements, rights, appurtenances, rents as provided herein at the sole election of the Lender, royalties, minerals, oil and gas rights and profits, water, water rights, water stock, and all fixtures now or hereafter

attached to the Property, all of which, including replacements and additions hereto, shall be deemed to be and remain a part of the Property encumbered by this Mortgage; and all of the foregoing are hereby included in the term “*Property*”.

The Mortgagor covenants that the Mortgagor is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, that the Property is unencumbered, and that the Mortgagor will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender’s interest in the Property.

The Mortgagor and Lender covenant and agree as follows:

1. Payment of Principal and Interest. The Mortgagor and Lender acknowledge and agree that this Mortgage is security for the obligation of the Mortgagor, Charleston Habitat for Humanity, Inc., to pay when due the principal and interest on the indebtedness evidenced by the Note, and the principal and interest on any other sums secured by this Mortgage. As provided in the Note, so long as the Mortgagor complies with the terms and conditions of the Note, and any Mortgage securing same, no interest shall be charged on the unpaid principal balance, and at the (i) expiration of Thirty (30) years from the date of this Note or (ii) upon the occurrence of an Approved Conveyance, as further described below, any then-outstanding balance shall be forgiven in full, provided, however that any amounts hereafter advanced or expended by the Lender to protect its security as provided herein or in this Mortgage securing the Note, and the interest thereon, shall not be forgiven or reduced and shall be due and payable from the time they are advanced or expended; and provided further that in the event the Mortgagor defaults in any terms or conditions of the Note or this Mortgage securing same, then the unpaid and remaining balance shall immediately become due and payable along with interest computed at the Note rate from the date of the event constituting breach or default, with interest to continue at such rate until such time as the entire indebtedness evidenced by the Note is fully paid. In the event that the Mortgagor conveys the Property to

low and very low-income households which are families and individuals whose incomes do not exceed 80% of the Area Median Income as established by HUD (an “*Approved Conveyance*”), as further described in the Restrictive Covenants, attached as Exhibit C to that certain Home Program Transfer Agreement by and between the Lender and the Mortgagor dated as of _____, 2017 and incorporated herein by this reference, the Lender shall forgive the Note in its entirety and execute any and all documents reasonably necessary to indicate the full release and satisfaction of the Note and this Mortgage upon such a conveyance.

2. Upkeep of Property. The Mortgagor shall keep the dwelling when constructed at the Property in good condition and repair, fully habitable and shall not remove or demolish any dwelling thereon. The Mortgagor shall complete or restore promptly and in good and workmanlike manner any dwelling which may be constructed, damaged or destroyed on the Property and to pay when due all claims for labor performed and materials furnished to the Property. The Mortgagor shall comply with all laws affecting Property or requiring any alterations or improvements to be made thereon. The Mortgagor shall not commit or permit waste thereof or permit any act thereon in violation of law.

3. Insurance, etc. The Mortgagor shall provide, maintain and deliver to the Lender evidence of fire and extended coverage insurance satisfactory to and with loss payable to the Lender in the order and amount of the balance outstanding on the Note and other amounts hereby secured and in default thereof in addition to its other remedies provided herein, the Lender may procure such insurance and reimburse itself under this Mortgage for the expense thereof, with interest thereon at the Note rate from the date of its payments. And it is further agreed, in the event of other insurance and contribution between the insurers, that subject to the terms of any prior mortgage encumbering the Property, the Lender shall be entitled to receive from the aggregate of the insurance moneys to be paid, a sum equal to the amount of the debt secured by this Mortgage. Subject to the terms of any prior mortgage encumbering the Property, the Mortgagor shall assign to the Lender any award of damages, or portion thereof, in connection with any condemnation for public use of or injury to the Property in the same manner and with the same effect as

provided for payment of proceeds of fire or other insurance.

4. Taxes, etc. The Mortgagor shall pay all taxes, assessments, utilities and other expenses of the Property when due and without delinquency and shall not permit any liens to be imposed on the Property by reason of any delinquency or default thereof. The Lender may, in addition to its other remedies provided herein, cause the same to be paid together with all penalties and costs incurred thereon, and reimburse itself under this Mortgage for sums so paid, with interest thereon at the note rate from the dates of such payments.

5. INTENTIONALLY OMITTED

6. INTENTIONALLY OMITTED

7. Occupancy Control; Compliance with Contract. The Mortgagor hereby covenants and agrees that it shall construct housing at the Property for the purpose of providing a for-sale dwelling for persons or households earning 80% and below the Area Median Income. The Mortgagor further agrees that this provision, as well as all other covenants of Lender contained in this Mortgage shall be a covenant running with the land and shall be binding upon the title to the Property for the duration of this Mortgage.

8. Affirmative Marketing Policy. The Mortgagor agrees to comply with the Lender's Affirmative Marketing Policy for the duration of the Mortgage.

9. Superior liens; Subordination. Mortgagor covenants and agrees that this Mortgage shall be a first priority lien on the Property. Any subordination of this Mortgage to any additional mortgage or encumbrance of the Mortgagor shall be only upon the written consent of the Lender, which consent may be granted or withheld by Lender in its sole and absolute discretion.

10. Layering. The parties acknowledge that there is a prohibition under the HOME Program Regulations of the use of HOME funds with other federal funds in a manner that would result in excessive subsidy to the Property and the Lender has the right to review all funding for the Property to ensure that impermissible layering is not in effect. If the Lender determines that excessive, impermissible, layering is

in effect, the Mortgagor agrees to the repayment of such of the HOME Program funds to bring the ratio in conformity with the HOME Program Regulations to eliminate excessive impermissible layering.

11. Mortgages Not Released. Extension of the time for payment of modification or amortization of the sums secured by this Mortgage granted by the Lender to Mortgagor or any successor in interest of the Mortgagor shall not operate to release, in any manner, the obligations of the original Mortgagor and Mortgagor's successors in interest. The Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Mortgagor and Mortgagor's successors in interest.

12. Forbearance by Lender Not a Waiver. Any forbearance by the Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by the Lender shall not be a waiver of the Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

13. Lender as Attorney in Fact. Subject to the terms of any prior mortgage encumbering the Property, the Mortgagor hereby appoints the Lender a true and lawful attorney in fact to manage said Property, giving and granting unto the Lender and unto its agents or attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done, provided, however, that this power of attorney shall not be construed as an obligation upon the said Lender to make or cause to be made, any repairs to the Property that may be necessary. This power of attorney shall be irrevocable until this Mortgage shall have been satisfied and released of record and the releasing of this Mortgage shall act as a revocation of this power of attorney.

14. Remedies Cumulative. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised

concurrently, independently or successively.

15. Assignment; Assumption. The Note secured by this Mortgage may not be assumed without the express written consent of the Lender. If all or any part of the Property is sold or transferred by the Mortgagor without the Lender's prior written consent, the Lender may, at the Lender's option, declare, all the sums secured by the Mortgage to be immediately due and payable. The Lender may waive this provision by documenting in writing an agreement agreed to between the Lender, Mortgagor and transferee.

16. Successors and Assigns Bound. The covenants and agreements herein contained shall bind, and the rights thereunder shall inure to the respective successors and assigns of the Lender and the Mortgagor, if any.

17. Joint and Several Liability. All covenants and agreements of the Mortgagor shall be joint and several.

18. Captions. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not be used to interpret or define the provisions hereof.

19. Notice. Any notice of one party to the other shall be in writing to the parties as follows:

As to Lender:

City of Charleston
Attn: Community Development Director
City Hall
P.O. Box 304
Charleston, SC 29402

As to Mortgagor:

Charleston Habitat for Humanity, Inc.
Attn: Jeremy Browning, Executive Director
P.O. Box 21479
Charleston, South Carolina 29413

The Mortgagor shall notify the Lender of any change in the Mortgagor's address.

20. Governing Law and Severability. This Mortgage shall be governed by the laws of the State of South Carolina. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision and to this end, the provision of the Mortgage and the Note are declared to be severable.

21. Mortgagor's Copy. The Mortgagor shall be furnished a conformed copy of the Note and this Mortgage. The term of this Mortgage shall be until either (a) the balance due on the Note is paid in full or (b) Thirty (30) years plus one day after the date of the Note and Mortgage, whichever occurs first; provided that the indebtedness secured hereby shall be forgiven as set forth in the Note; further provided, however, that any amounts hereafter advanced or expended by the Lender to protect its security as provided hereon, shall not be forgiven or reduced and shall be due and payable from the time they are advanced or expended; and provided further that in the event the Mortgagor defaults in any of the terms, conditions or covenants of this Mortgage or in the event the Mortgagor defaults in any of the terms, conditions or covenants of the Note secured by this Mortgage, the principal shall immediately become due and payable without further demand along with interest computed by the Note rate from the date of the event constituting breach or default with interest to continue at such rate until such time as the entire indebtedness secured by this Mortgage is fully paid and the Lender may foreclose this Mortgage by judicial proceeding and shall be entitled to collect in such proceeding all expenses of foreclosure, including but not limited to reasonable attorney's fees and cost of documentary evidence, abstracts and title reports, all of which shall be additional sums secured by this Mortgage.

23. Rights to Appoint Receiver. Should legal proceedings be instituted for the collection of the debt secured hereby, then and in that event, but subject to the terms of any prior mortgage encumbering the Property, the said Lender, Lender's heirs, successors, or assigns, shall have the right to have a Receiver

appointed with power to forthwith lease out the Property if he should so elect, and who, after deducting all charges and expenses attending such proceedings, and the execution of the said trust as Receiver, shall apply the residue of any rents and profits collected in accordance hereto toward the payment of the debts secured hereby.

24. Attorney's Fees. Should legal proceedings be instituted for the foreclosure of this Mortgage, or for any purpose involving this Mortgage, or should the debt hereby secured be placed in the hands of an attorney at law for collection, by suit or otherwise, that all costs and expenses incurred by the Lender, Lender's heirs, successors, or assigns, including reasonable attorney's fees (of not less than eight (8%) percent of the amount involved) shall thereupon become due and payable as a part of the debt secured hereby, and may be recovered and collected hereunder.

25. Termination of Mortgage. When the Mortgagor, Mortgagor's heirs, successors, executors or administrators shall pay, or cause to be paid unto the said Lender, Lender's certain attorneys, heirs, successors or assigns the said debt, with the interest thereof, if any shall be due, and also all sums of money paid by the said Lender, Lender's heirs, successors or assigns, according to the conditions and agreements of the said Note, and of this Mortgage and shall perform all the obligations according to the true intent and meaning of the Note and Mortgage, and the conditions thereunder written, then this Mortgage shall cease, determine and be void. Otherwise it shall remain in full force and effect in accordance with the terms of the Note and Mortgage.

26. Riders. The terms and conditions of any rider executed by Mortgagor and recorded together with this Mortgage shall be incorporated into and shall amend and supplement the covenants and agreements of this Mortgage as if the rider is a part of this Mortgage.

26. Mortgagor's Right to Possession. The Mortgagor is to hold and enjoy the Property until default of payment shall be made.

Upon completion of all terms and conditions of this Note by the Mortgagor and upon payment of

any and all balance due, the Mortgagor shall be entitled to a release and satisfaction of this Note by the Lender at the Mortgagor's own cost.

*****Remainder of Page Intentionally Left Blank*****
[Signatures on Following Page]

IN WITNESS THEREOF, the Mortgagor has executed this Mortgage this _____ day of _____, 2017.

**SIGN, SEALED AND DELIVERED
IN THE PRESENCE OF:**

Charleston Habitat for Humanity, Inc.,
a South Carolina nonprofit corporation

Witness

By: _____

Name: _____

Witness

Its: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

I, _____, the undersigned Notary Public, do hereby certify that Charleston Habitat for Humanity, Inc., a South Carolina nonprofit corporation, by _____, its _____ personally appeared before me this day and acknowledged the due execution of the forgoing instrument.

Witness my hand and official seal this _____ day of _____, 2017.

Notary Public
State of South Carolina
My Commission Expires: _____

[SEAL]

Exhibit A

(Legal Description of the Property)



Ratification
Number _____

AN ORDINANCE

TO PROVIDE FOR THE ANNEXATION OF PROPERTY KNOWN AS 2935 MAYBANK HIGHWAY AND ADJACENT VACANT LOT (4.60 ACRES) (TMS# 313-00-00-091 AND 313-00-00-089), JOHNS ISLAND, CHARLESTON COUNTY, TO THE CITY OF CHARLESTON, SHOWN WITHIN THE AREA ANNEXED UPON A MAP ATTACHED HERETO AND MAKE IT PART OF DISTRICT 5. THE PROPERTY IS OWNED BY JAMES COYNE AND LAURE VANDERMOERE.

BE IT ORDAINED BY THE MAYOR AND THE MEMBERS OF CITY COUNCIL, IN CITY COUNCIL ASSEMBLED:

Section 1. As an incident to the adoption of this Ordinance, City Council of Charleston finds the following facts to exist:

A) Section 5-3-150, Code of Laws of South Carolina (1976) as amended, provides a method of annexing property to a city or town upon a Petition by all persons owning real estate in the area requesting annexation.

B) The City Council of Charleston has received a Petition requesting that a tract of land in Charleston County hereinafter described be annexed to and made a part of the City of Charleston, which Petition is signed by all persons owning real estate in the area requesting annexation.

C) The area comprising the said property is contiguous to the City of Charleston.

Section 2. Pursuant to Section 5-3-150, Code of Laws of South Carolina (1976) as amended, the following described property be and hereby is annexed to and made part of the City of Charleston and is annexed to and made part of present District 5 of the City of Charleston, to wit:

SAID PROPERTY to be annexed, 2935 Maybank Highway and adjacent vacant lot, (4.60 acres) is identified by the Charleston County Assessors Office as TMS# 313-00-00-091 and 313-00-00-089 (see attached map) shown within the area annexed upon a map attached hereto and made a part hereof.

Section 3. This ordinance shall become effective upon ratification.

Ratified in City Council this _____ day of _____
in the Year of Our Lord,
2017, in the _____ Year of the Independence of the
United States of America.

By:

John J. Tecklenburg
Mayor

Attest:

Vanessa Turner Maybank
Clerk of Council

Annexation Profile

Parcel Address: 2935 Maybank Highway and adjacent vacant lot

Presented to Council: 2/28/2017

Status: Received Signed Petition

Owner Names: James Coyne and Laure VanderMoere

Year Built: 1998

Parcel ID: 3130000091
and 3130000089

Number of Units: 1

Number of Persons: 2

Race: Caucasian

Acreage: 4.60

Current Land Use: Residential

Current Zoning: R-4

Requested Zoning: RO

Recommended Zoning: RO

Appraised Value: \$332,500.00

Assessed Value: \$14,900.00

Stormwater Fees: 72.00

Mailing Address: 2935 Maybank Hwy
Charleston, SC 29455

City Area: Johns Island

Subdivision:

Council District: 5

Within UGB: Yes

Police	Located in existing service area - Team 3
Fire	Located in existing service area - Station 17
Public Service	
Sanitation	Located in existing service area. One additional stop.
Storm Water	Contiguous to existing service area.
Streets and Sidewalks	No additional City-maintained right-of-way
Traffic and Transportation	
Signalization	None
Signage	None
Pavement Markings	None
Charleston Water Systems	St. Johns Water Service Area, CWS Sewer Service Area.
Planning	
Urban Growth Line	Property is a partially developed site within the line.
City Plan (Century Five)	Development and zoning are consistent with the City Plan.
Parks	Already being served.

Notes/Comments:

City Plan Recommendation:

The existing development and proposed zoning is consistent with the City Plan. Recommend annexation.

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PETITION FOR ANNEXATION

TO THE HONORABLE MAYOR AND CITY COUNCIL OF CHARLESTON

WHEREAS, SECTION 5-3-150 (3) Code of laws of South Carolina provides for the annexation of an area or property which is contiguous to a City by filing with the municipal governing body a petition signed by all persons owning real estate in the area requesting annexation, and

WHEREAS, the undersigned are all persons owning real estate in the area requesting annexation, and

WHEREAS, the area requesting annexation is described as follows, to wit:

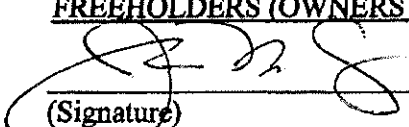
SAID PROPERTY, located on Johns Island (approximately 3.30 acres) to be annexed is identified by the Charleston County Assessors Office as Property Identification Number: TMS# 3130000091 (2935 Maybank Highway).

NOW, THEREFORE, the undersigned petition the City Council of Charleston to annex the above described area into the municipal limits of the City of Charleston.

Dated this 13th day of
February, 2017

FREEHOLDERS (OWNERS) SIGNED

DATE OF SIGNATURE


(Signature)

2-15-17
(Date)

JAMES M. COFIE

(Print Name)


(Signature)

2-15-17
(Date)

Laura VanderMoere

(Print Name)

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PETITION FOR ANNEXATION

TO THE HONORABLE MAYOR AND CITY COUNCIL OF CHARLESTON

WHEREAS, SECTION 5-3-150 (3) Code of laws of South Carolina provides for the annexation of an area or property which is contiguous to a City by filing with the municipal governing body a petition signed by all persons owning real estate in the area requesting annexation, and

WHEREAS, the undersigned are all persons owning real estate in the area requesting annexation, and

WHEREAS, the area requesting annexation is described as follows, to wit:

SAID PROPERTY, located on Johns Island (approximately 1.30 acres) to be annexed is identified by the Charleston County Assessors Office as Property Identification Number: TMS# 3130000089 (vacant lot on Maybank Highway).

NOW, THEREFORE, the undersigned petition the City Council of Charleston to annex the above described area into the municipal limits of the City of Charleston.

Dated this 13th day of
February, 2017

FREEHOLDERS (OWNERS) SIGNED

DATE OF SIGNATURE


(Signature)

2-15-17
(Date)

JAMES M. COYNE
(Print Name)


(Signature)

2-15-17
(Date)

Laura Vander Moere
(Print Name)

City of Charleston Annexation Map

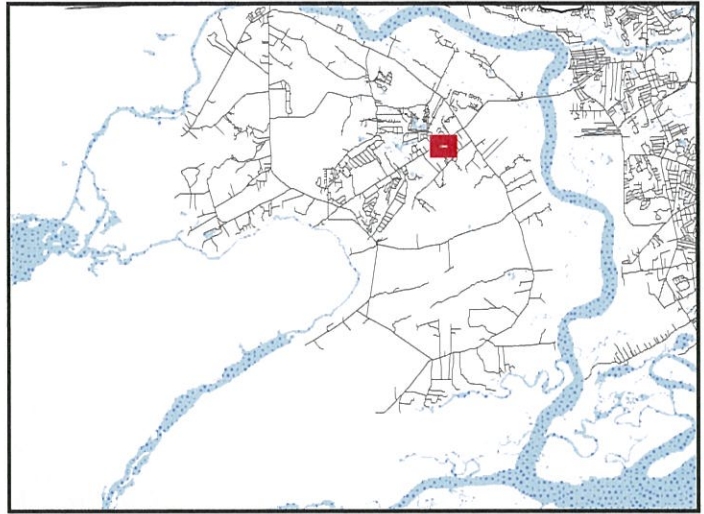
Parcel Address:
2935 Maybank Hwy
and adjacent vacant lot

TMS #:
3130000091 & 089

Acreage: 4.60

City Council District: 5

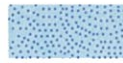
Johns Island



Subject Property



Corporate Limits
City of Charleston



Water

